

# Agricultural Situation

JULY 1959  
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Agricultural Marketing Service  
U.S. Department of Agriculture

## OUR CATTLE HERD IS MORE PRODUCTIVE

The cattle industry has made great strides in productivity. Production of beef per animal on farms is almost a half higher now than 30 years ago.

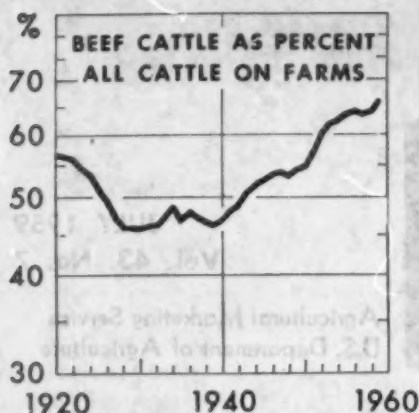
This record is the more remarkable because the cow, unlike the sow and ewe, seldom has multiple births. One calf per cow each year is the usual limit. This is a handicap to increases in productivity.

Rising productivity of the cattle herd has helped beef output in the United States to double since the 1920's. Only half of that increase is attributable to more cattle on farms. The other half is due to their higher productivity.

Cattle numbers on farms have increased no faster than the human population in the last 30 years. But because more beef is produced per animal, beef output has outrun population, enabling consumption per person to increase 25 percent.

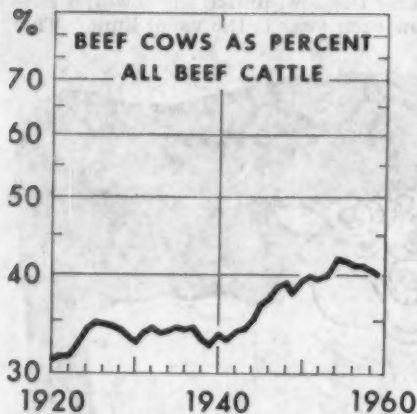
Lacking the advantage of multiple births, the bovine's greater productivity comes about in other ways. Trends since the early 1920's illustrate six of these.





1. More of all cattle are beef cattle. The percentage of beef-type cattle in the herd has been rising since 1939. Although dairy cattle also produce beef, they don't do so quite as well as beef cattle.

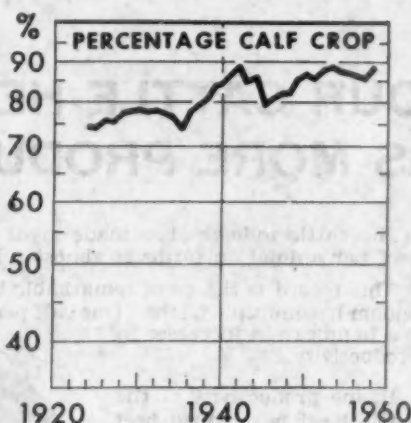
2. A higher percentage of all beef cattle are cows. Among cattle kept for beef, the proportion of cows has risen from less than 35 percent before 1940 to about 40 percent today.



The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work.

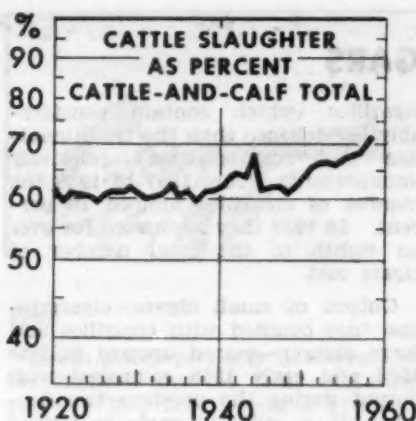
This is not so meaningful in itself. But it does reflect how much the proportion of steers and heifers has decreased, as they are raised faster now than formerly. In the 1920's steers often were held until they were 3 or 4 years old, and each one appeared in the inventory that many times. Now most steers are slaughtered before they're 30 months old.

3. The calving rate is higher now. Multiple births are still rare, but more cows now have one calf. The number of calves born per 100 cows has increased from 75-80 in the mid-1920's to 85-90 in the last few years.



4. More calves are raised to maturity. Until 1940 about 40 percent of all calves were slaughtered as calves, and 60 percent as mature cattle. In 1958, only 29 percent were slaughtered as calves, and 71 percent as mature cattle. More feedlot feeding, and improved breeding, have speeded this trend.

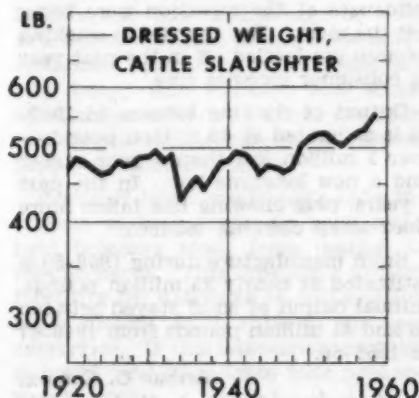
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5. Death loss has been reduced. Since 1924 the percentage death loss has declined a fifth.

6. Finally, average dressed weights of cattle slaughtered have increased. There may be some question as to whether so much heavier weights are desirable. Insofar as they are associated with improved type, little objection can be raised. At times, too many over-fat cattle have been marketed. In any event, when weights are heavier more beef is produced per animal.

Harold F. Breimyer  
*Agricultural Economics Division, AMS*



## USDA Fact Book Now Is Available

The 1958 edition of "Agricultural Statistics" is off the press. You might be interested in getting yourself a copy. It can be a mighty handy reference.

The story of how farmers have fared in the past is told in tables of production, supplies, costs, and returns—figures that come alive when related to people, places, and things.

How many acres of fall potatoes did Maine farmers harvest in 1957? How many 100-pound bags did they grow? What prices did they bring? Answers are in the book.

Cotton or cucumbers, cattle or cauliflower, calves or cantaloups, corn or currants—if it's a part of the Nation's agriculture, it's in "Agricultural Statistics."

It's a book about farms, farmers, and farming. There is a wealth of information on farm production and prices, but also there is much on such things as land use, farm ownership, farm workers, and food consumption.

And there are miscellaneous statistics on weather, freight rates, refrigerated warehouse storage, world crops, and foreign trade.

A table is included for converting one form of a product to some other measure of it. For example, one pound of dried pears equals about 5½ pounds of fresh pears; one pound of ginned cotton equals 3.26 pounds of seed cotton including trash; one pound of cheese equals 10 pounds of milk.

The 600-page book is planned to answer factual questions that might be asked about agriculture. The material has been arranged in convenient and usable form.

Agricultural Statistics, 1958, is available at \$1.75 a copy from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C.

## DEMAND IS STRONG FOR CIGARETTES AND CIGARS

Americans smoked a record number of cigarettes in the fiscal year ending June 30, 1959. And they smoked the largest number of cigars and cigarillos in 30 years. Use of smoking tobacco and snuff in the United States held about even with 1957-58 levels. But compared with 10 years ago, smoking tobacco was down about 30 percent and snuff 15. Use of chewing tobacco continued lower, but the decline was the smallest in several years.

Cigarette output during July 1958-June 1959 was close to 480 billion—31 billion or almost 7 percent greater than in 1957-58. This tops any previous fiscal or calendar year total. About 96 percent of the total output was consumed by U.S. smokers. The other 4 percent was exported.

Although the number of cigarettes produced in 1958-59 was 18 percent higher than in 1954-55, the quantity of domestic tobacco used was only slightly above that of the earlier period.

There are two major reasons for this: (1) The size of the tobacco column in the average cigarette has become smaller—mainly a result of the tremendous increase in filter tip cigarettes. (2) Important changes have occurred in tobacco technology among which are the development of processed sheet tobacco and the more extensive use of the midribs of leaves (stems).

As a result of these factors, more cigarettes can now be made from a pound of leaf tobacco.

In 1954-55, 1 pound of domestic tobacco (farm-sales weight) and foreign tobacco (import weight) was used to produce about 330 cigarettes. In 1958-59, it is estimated that about 380 cigarettes could be manufactured from 1 pound of these tobaccos.

Total consumption of cigars and cigarillos during 1958-59 was close to 6¼ billion—about 7 percent above a year earlier. Numerically, cigar consumption is approaching the level of the late 1920's. But in that period

cigarillos (which contain considerably less tobacco than the traditional-size large cigars) were relatively unimportant. From 1957 to 1958 the number of cigarillos jumped 16 percent. In 1958 they accounted for over an eighth of the total number of cigars sold.

Output of small cigars—cigarette-size (not counted with cigarillos and large cigars)—soared upward in late 1958 and early 1959 compared with output during the previous two decades. It is still too early to tell at about what point the consumption of small cigars may level off.

In the early 1920's, about 650 million small cigars were smoked annually, but in 1957 only 55 million were smoked. In sharp contrast to this recent low, the consumption of small cigars during the first 4 months of 1959 jumped to 332 million.

A majority of large cigars and nearly all cigarillos are now made with processed binder sheet instead of natural leaf binders. For nearly all brands of small cigars (cigarette-size), processed sheet tobacco is used as the wrapper.

Production of smoking tobacco for pipes and "roll-your-own" cigarettes during 1958-59 is estimated at about 75 million pounds. During 1957-58, consumption of smoking tobacco was on the increase, particularly when the influences of the recession were being felt the most. But the rise in smoking tobacco use leveled off in the past year as consumer incomes rose.

Output of chewing tobacco in 1958-59 is estimated at 69 million pounds—over 1 million less than a year earlier and a new longtime low. In the past 5 years, plug chewing has fallen more than scrap chewing tobacco.

Snuff manufacture during 1958-59 is estimated at nearly 35 million pounds. Annual output of snuff stayed between 38 and 41 million pounds from 1946-47 to 1955-56.

Arthur G. Conover  
*Agricultural Economics Division, AMS*



## OUTLOOK

### Feed

Grain prices probably have reached the highest level of this marketing year—in May they averaged at about last year's levels. Seasonal declines are likely for all 4 grains this summer and fall.

### Fruit

Heavier production than last year is in prospect. More pears, peaches, apples, apricots, fresh plums, sour cherries, and dried prunes are expected. On the down side are sweet cherries and strawberries.

### Potatoes

Significantly smaller supplies than a year ago are expected the next few weeks. Prices are likely to remain relatively high, following the sharp rise of recent weeks.

### Cattle

Heavy slaughter of fed steers and heifers and low marketings of cows and calves continue to mark the cattle situation. Slaughter of fed stock will stay heavy this summer, and somewhat above last year. Prices are likely to continue strong because of reduced supply of nonfed animals.

Prices of lower grade cows have increased as beef producers have withheld breeding stock from market to rebuild herds. This provides a greater incentive for dairymen to cull existing herds closely, or to shift to the beef enterprise. If this situation continues, it would tend to restrain milk production in 1960.

### Fats and Oils

Our larger population is consuming more food fats per person this marketing year than last. Total disappearance is up 5 percent from a year ago and at a record level. Shortening shows the sharpest increase. Margarine, direct use of lard, and salad and cooking oils are also up. Butter use is about the same. Exports also are running at peak levels.

A sharp rise in stocks of food fats is expected, despite high disappearance. Supply this year is up far more than use. Soybeans will account for most of increase though more lard and vegetable oils will be on hand.

### Wheat

The first estimate of total wheat production for 1959 indicates that wheat stocks will continue to pile up through the 1959-60 marketing year. The 1959 crop is forecast at 1,182 million bushels, well below last year's, but the fifth largest on record. July 1 carryover is expected to total 1,285 million bushels. Allowing for the small quantity to be imported, the total supply for 1959-60 adds up to a record 2,475 million bushels.

Use in 1959-60 is expected to hold close to this year's figure of slightly over a billion bushels. Domestic use may be up a little because of population growth, but exports may fall some because of bigger crops in importing countries.

A carryover of 1,420 million bushels on July 1, 1960, is indicated by the supply and disappearance estimates. This is two-fifths more wheat than

*(continued on the next page)*



## OUTLOOK—Continued

was used in the U.S. or exported in 1958-59.

About usual seasonal decline in wheat prices is expected. Price is not likely to fall as far below support as last year because of adequate storage space, a smaller crop, and less wheat ineligible for support loans.

### Hogs

Hog prices may rise seasonally with the summer slackening in marketings. Then prices will drop seasonally as the 1958 spring crop starts coming to market.

## USDA BUYING DRIED AND FROZEN EGGS

The USDA has been buying dried and frozen eggs in an effort to help stabilize prices to producers. The eggs purchased are being given to needy persons and welfare institutions.

Nearly \$7 million worth of dried eggs have been purchased since the surplus removal program started in April. As of July 2, over 6 million pounds of dried eggs were bought.

## PRESIDENT AND QUEEN OPEN ST. LAWRENCE SEAWAY

President Dwight D. Eisenhower and Queen Elizabeth of England formally opened the St. Lawrence Seaway on June 26.

The Seaway is one of the major developments in American transportation in the present century, opening the ports of the Middle West to the ocean-going fleets of the world.

It represents an important change in the geography of the earth that may have profound and far-reaching effects not only upon the farmers of the Midwest, but upon the industrial pattern of the country, that will extend to other countries of the world.

## National Farm Safety Week—July 19

President Dwight D. Eisenhower has proclaimed the week beginning July 19 as National Farm Safety Week. The President requests all persons and organizations interested in the welfare of farm people to support and participate in its observance.

This proclamation furthers a very worthwhile service for farm people sponsored by the U.S. Department of Agriculture and the National Safety Council in cooperation with the State Agricultural Extension Services, farm organizations, the farm press, radio, television, and other groups.

The theme this year, "Safety Makes Sense," is proved by the record in which accidental deaths among farm people have been reduced from 19,500 in 1947 to 12,000 in 1957. The death rate was also reduced from 66 per 100,000 farm population in 1947 to 57 in 1957.

### Did You Know?

Nursery products and cut flowers play a more important part in the agricultural picture than most of us realize.

Last year, sales of eight classes of nursery products, grown by 3,400 producers in 10 States, had a wholesale value of \$59 million.

The eight classes were coniferous evergreens, broad-leaved evergreens, deciduous shade trees, deciduous shrubs, rose plants, deciduous fruit and nut trees, grape vines, and citrus and subtropical fruit trees.

Sales of 4 cut flowers—carnations, chrysanthemums, gladiolus, and roses—grown by nearly 2,900 producers in 10 States, had a wholesale value of \$58.9 million in 1958.

The 10 States were California, Colorado, Florida, Illinois, Iowa, Michigan, New York, Ohio, Oregon, and Texas.

## WHAT'S THE FARMER'S SHARE OF THE CONSUMER'S MILK DOLLAR?

Last year the farmer's share of the consumer's milk dollar was 44 cents—1 cent less than in 1957. The other 56 cents went for marketing.

The payment the farmer received for a quart of milk dropped from an average of 10.9 cents in 1957 to 10.7 cents in 1958. The retail price of milk increased from an average of 24.2 cents a quart in 1957 to a record 24.5 cents in 1958.

The difference between these two prices—the marketing margin—increased half a cent.

There are three major steps involved in marketing milk. They are: Assembling milk from farms and taking it to dairies, processing and bottling it, and distributing it to consumers. All of these steps take their share of the consumer's milk dollar.

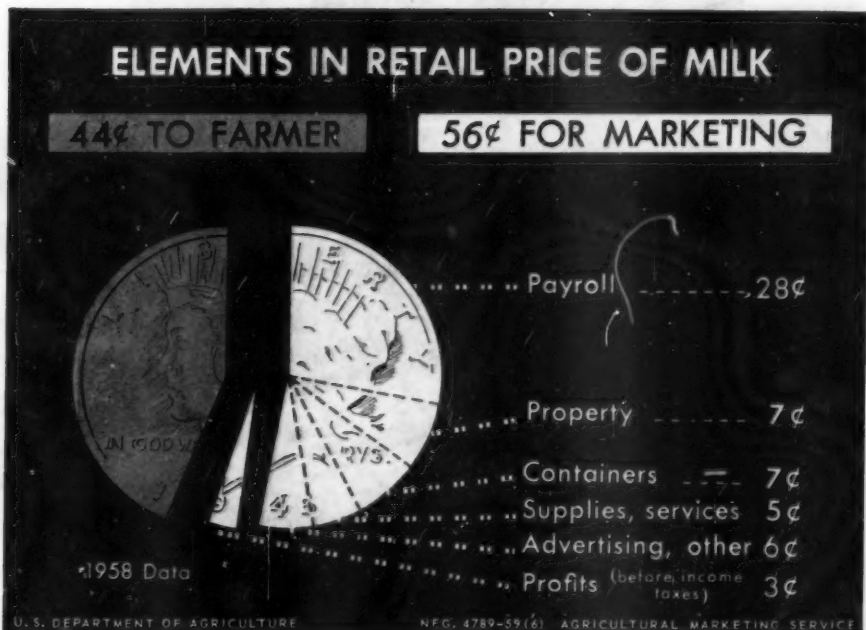
USDA marketing researchers have calculated the shares. In 1957, when the marketing share was 55 cents the assembly operation took about 5 cents of each dollar spent by consumers. Processing and bottling milk took about 18 cents of the consumer's dollar.

Distribution costs accounted for about 23 cents of the consumer's dollar.

Administrative expenses of the marketing companies in 1957 took another 5 cents, and profits took 4 cents more.

The chart shows you how costs and profits divided the consumer's milk dollar in 1958. The payroll item includes wages, salaries, payroll taxes, pensions, and other fringe benefits. Property includes depreciation, repairs, property taxes, insurance, and similar items.

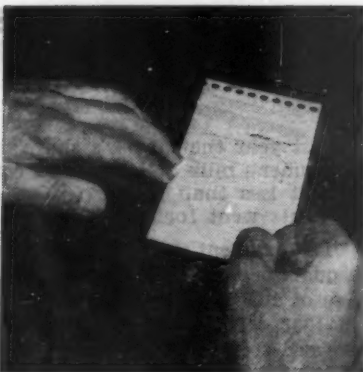
D. D. MacPherson  
Marketing Research Division, AMS



Every Answer Helps

## USING YOUR QUESTIONNAIRES

Every month thousands of crop, livestock, and price reporters take time to fill out and mail questionnaires to their State statistician. The statistician and his staff take these questionnaires—a good cross section—and come up with an estimate for your State. These pictures show how it is done. Next month we'll see how State reports are combined into National reports in Washington.



This statistician starts the ball rolling by reviewing questionnaires.



Figures from questionnaires are then added and certain averages are computed.





Once all of the questionnaires have been processed, the statisticians in the State office get together to analyze and interpret the information—and come up with an estimate for the State. They do this by statistical methods, but they also keep their own field observations in mind.



Top—State averages and estimates are recorded on special forms. Bottom—Then statisticians prepare comments, indicating reasons for the estimate adopted and other related factors. Finally the forms and comments are mailed to the Crop Reporting Board for review.

## A LARGER PIG CROP IS IN VIEW

The 1959 pig crop may be 10 percent larger than last year. The spring pig crop is 12 percent greater than last year and the fall crop may be about 9 percent more than a year ago.

The Crop Reporting Board's June 19 Pig Crop Report was based on reports from 155,000 farmers and ranchers, obtained largely in cooperation with the Post Office Department through rural mail carriers. Here's the way the Board summed it up:

The 1959 spring crop totaled 58.5 million head. This compares with 52.3 million head in the spring of 1958, and is the largest spring crop since 1951. The spring farrowing season is from December through May.

Reports on breeding intentions indicate 6.4 million sows to farrow this fall, 8 percent more than in the fall of 1958, and 21 percent above the 1948-57 average. If these intentions are carried out, this will be the largest number of sows farrowing in the fall since 1942.

If the intended farrowings are realized, and the number of pigs saved per litter equals the average, adjusted for trend, the 1959 fall pig crop would be 46 million head—the largest fall pig crop since 1943. The combined spring and fall pig crop would total 104.5 million pigs in 1959. This would be 10 percent more than in 1958 and the third largest of record—exceeded only by the 104.9 million in 1942 and the 121.8 million in 1943.

Spring farrowings were up from last year in all geographic regions. Nearly every State expanded spring pig production. Last December, in its Fall Pig Crop Report, the Crop Reporting Board reported farmers intended to have 8.3 million sows farrow in the spring of 1959. The Board stated at that time that if these intentions were realized and litter size was equal to the average, adjusted for trend, that the spring crop would total 59 million head. Actual farrowings were only 0.6 percent less than intended.

The average number of pigs saved per litter this spring was 7.08, second only to the 7.12 pigs saved in the spring of 1957. The 1958 average was 7.05 per litter. With the exception of 1958, the average litter size for the spring has increased each year since 1950. The average for 1959 is 12 percent larger than the 1950 average.

The reported percentage of farrowings by months reflects the producers' plans to strive for earlier production and marketing of spring pigs. For the 11th consecutive year the December-February farrowings accounted for a larger percentage of the total spring farrowings than in the previous year. For the 1959 spring crop, farrowings during these three months accounted for 38.5 percent of the six-month total. This is double the percentage these three months accounted for 10 years ago.

The number of hogs 6 months old and over on farms and ranches on June 1 was 11 percent more than June 1, 1958. The 1958 fall pig crop, which makes up a substantial proportion of the June 1, 1959 inventory of hogs 6 months old and older, was 17 percent larger than the previous fall.

The number of all hogs and pigs on farms June 1, 1959, in 9 of the Corn Belt States totaled 48 million head, 8 percent more than a year earlier. These States are Ohio, Indiana, Illinois, Wisconsin, Minnesota, Iowa, South Dakota, Nebraska, and Kansas.

The number of hogs 6 months old and over in these States was 9 percent more than a year earlier and accounted for 20 percent of all of the hogs on hand in those States. The number under 6 months of age was 8 percent more than a year earlier, with an increase of 15 percent in the 3-6 months age group, and an increase of 5 percent in the number under 3 months.

Clarence E. White  
E. B. Hannawald

*Agricultural Estimates Division, AMS*

## TURKEYS—LOOKING AHEAD TO THE HOLIDAYS

The late hatch of turkey poults is tapering down, but the decrease is not yet big enough to assure turkey growers that they are out of the woods concerning the price of this fall's crop. The size of the hatch in June—and probably in succeeding months—will fall below last year. In addition, the seasonal peak of turkey hatchings has passed.

For the year as a whole, more turkeys will be raised than the 78 million of 1958. The crop will probably slightly exceed the record 81 million of 1957.

Because a big part of the increase was among turkeys slaughtered early in the year—and already eaten—the prospective fall marketing job is not fully as formidable as would be indicated by the comparison of the annual statistics. Nevertheless, it will remain a problem to get the turkeys moved into consumption and into freezers at prices reasonably in line with expectations in other recent years.

May will probably prove to have been the month of peak hatchings for all classes of turkeys. On the basis of the June 1 report on eggs in incubators, June hatchings of Bronze, Large White, and Beltsville turkeys will all be less than in May. This follows the general pattern of recent years.

### Slaughter Peak

With this monthly pattern of hatchings, the peak of slaughter comes somewhat earlier than the Thanksgiving and Christmas holidays. Between slaughter and use, many turkeys have to go into cold storage, and someone has to own them.

Growers often retain ownership during this period, either individually or through co-ops. But when the farmer can retain ownership or sell either at or prior to the time of slaughter, he is up against a vexing choice.

Last year, turkey prices held generally steady in the last 3 months of the year, but at about the lowest level of the 1958 season. Early in 1959,

prices of tom turkeys in storage, and of the few remaining for slaughter, went up very sharply.

This year, late hatchings are declining more than they did in 1958. And summer storage stocks are lower too. So year-end prospects aren't as pessimistic as last year when compared with early-season prices.

### Price Prospects

With the cut that has begun in late-season hatchings and with the low level of storage stocks at the beginning of the into-storage season, there is no present reason to expect turkey prices to repeat last year's late summer dip.

Edward Karpoff  
*Agricultural Economics Division, AMS*

### Book of Poultry And Egg Statistics

Details down to the number of ostriches on U.S. farms in 1910 are included in USDA's latest book of poultry and egg statistics.

It's the most comprehensive book of poultry statistics issued by USDA in over 20 years. If you're in the poultry business, you'll find it a handy reference.

Drop us a card and we'll send you a free copy. Our address is: The Agricultural Situation, AMS, USDA, Washington 25, D.C.

P.S. There were 5,361 ostriches on U.S. farms in 1910.

### The Farmer's Share

The farmer's share of the consumer's food dollar was 39 percent in April, the same as in February and March. In April 1958 the farmer's share was 42 percent. There's a story on page 7 of this issue of *Agricultural Situation* on the farmer's share of the dollar consumers spend on milk.

## BUTTER AND MARGARINE— A LOOK AT CONSUMPTION TRENDS

During the last 25 years, a substantial shift has occurred in the relative consumption of butter and margarine. Use of butter declined from 17 pounds a person in 1935-39 to 8.4 pounds in 1958. In the same period margarine use rose from 2.9 pounds a person to 9 pounds.

After World War II, production of butter decreased. Average production in 1947-49 was 27 percent less than 1935-39. Since 1954 annual production has fluctuated about a level of approximately 1.5 billion pounds, substantially below the 1935-39 average. No evidence of an uptrend in production of butter has appeared since 1953.

The increased use of margarine has only partly offset the decline in the use of butter. Total use of these two products in 1958 was 17.4 pounds a person, compared with 19.9 pounds in 1935-39.

### Factors

Several factors have accounted for this reduction. Other spreads, such as mayonnaise and cheese, have increased in popularity. Per capita use of bread and potatoes has declined from the prewar level. Moreover, many diet-conscious consumers are intentionally limiting their use of all "visible fats."

Wartime shortages contributed to lower combined consumption of butter and margarine. The big reduction came during World War II and the recovery thereafter was slow.

In the immediate postwar years 1947-49, use of the two spreads was down to 16.2 pounds a person, almost 20 percent below 1935-39. Since 1947-49, use has gradually increased. By 1958 combined butter-margarine use had climbed 1.2 pounds.

Donated butter accounts for part of the increase, but even without it a 0.5 pound gain was registered. For sev-

eral years the USDA has donated butter acquired under price support operations to schools and other eligible recipients.

Combined butter and margarine use will probably continue its slow uptrend in 1959. Production and disappearance of margarine in the first quarter were up from 1958.

Use of butter will depend partly on the size of donations resulting from price support purchases. These in turn will be influenced by pasture conditions during the rest of this year.

Combined butter and margarine use is forecast as 0.2 pound a person above 1958, with the increase in margarine. Butter consumption will probably be unchanged from 1958.

Two things stand out among the many conditions which in varying degrees have led to the shift from butter to margarine over the past 25 years. They are the changing price ratios between the two products and the gradual removal of restrictive legislation on margarine.

Retail butter prices have usually been at least double those of margarine. This was their price ratio during 1935-39. In 1952 and 1953 the ratio was close to 3 to 1. More recently, butter prices have been about 2.5 times margarine prices. This price relationship is expected to continue in 1959.

Furthermore, in recent years there has been increased use of coupons and other special price concessions for margarine. These are not usually reflected in quoted retail prices.

Margarine is in a price range that permits its use as both a shortening and a spread. Wholesale prices of butter have been close to Government purchase prices a large part of the time since the postwar dairy price support program was begun in 1949.



## World War II

World War II gave impetus to much of the later growth in margarine consumption—and to removal of legal restrictions that previously limited its use.

During the war, requirements of the military and our allies for other dairy products as well as butter led to eventual rationing and a sharp drop in civilian use of butter. Even though margarine, like butter, was under wartime supply controls and point rationing, use of margarine increased somewhat.

In 1947, 22 States prohibited sale of colored margarine. Certain restrictive Federal measures on the sale and price of margarine were lifted in 1950.

Acceptance of margarine has increased during the last several years because of its standardization and general improvement. Margarine manufacturers have also conducted a vigorous merchandising and promotional campaign since the war.

Increased production and use of margarine were made possible by the sharp growth in domestic output of edible vegetable oils during the last 20 years. Margarine's fat content averages about 81 percent. Expanding supply kept the increase in price moderate, and this widened the butter-margarine price ratio.

Margarine output in 1958 reached a new peak of 1,573 million pounds, 734 million above the 1947-49 average. Fats and oils used in margarine totaled a record 1,270 million pounds in 1958. Fats and oils used in this outlet may reach a new peak of over 1.3 billion pounds in 1959.

## Soybeans

The largest, and almost the exclusive, source of fats and oils for expanded margarine output has been the soybean. Soybean oil used in the manufacture of margarine reached a new peak of 1,067 million pounds in 1958, and constituted 84 percent of all fats and oils used in making the product. Only small quantities of soybean oil had been used in margarine before the war.

During the years 1918-1936, more coconut oil than any other vegetable oil was used in margarine, but it was displaced by cottonseed oil during the years 1937-1950.

Cottonseed oil, next to soybean oil in relative importance, became the major constituent in margarine just after the end of the war, but its use decreased in the years following. The 145 million pounds of cottonseed oil used in margarine during 1958 was the smallest quantity since 1940, and represented less than 12 percent of total fats and oils consumed.

Small quantities of lard, vegetable stearine, beef fats, coconut oil, peanut oil, corn oil and other vegetable oils also are consumed in margarine.

## Supports

Under the dairy support program butter production has averaged somewhat larger than commercial consumption in recent years. Retail prices accordingly were determined primarily by support prices. But production has only moderately exceeded commercial demand. Milk produced on U.S. farms has gone into fluid use in ever-increasing proportions as the percentage used for butter decreased.

George Kromer  
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# "Bert" Newell's Letter

At the country store where Mother used to send me to get the molasses jug filled, or a bag of sugar, or some coffee, or any one of the dozen or so things we used to go to the store for, there was a clerk named Mr. Rinker who was always pulling some sort of joke. When he gave you your change he had a quick way of snapping the coin on the counter and then sliding his hand toward you—but when you went to pick up the coin it wasn't there. When you asked him how much something like a can of tomatoes was, he would answer, "Well, they're regularly 8¢ a can but I can let you have 3 cans for a quarter today." Ever so often someone would bite on it too, and then how he would laugh as he handed back a penny change.

I had forgotten all about that until the other day I saw a piece in one of the big financial papers about a store that had been selling dog food at 2 cans for 31¢. They put on a special of 3 cans for 49¢ and so many people jumped at the bargain, sales went up sharply. Apparently a whole lot of people didn't figure out that the sale price was  $16\frac{1}{3}\%$  a can, whereas the regular price they had been paying amounted to only  $15\frac{1}{2}\%$  a can. How Mr. Rinker, who is long gone, would have loved that.

I can see how this sort of thing could happen though because this fraction business can get downright confusing. Many people wouldn't stop to figure out  $\frac{1}{3}$  of 49¢ and compare that with  $\frac{1}{2}$  of 31¢. After all, it's only  $\frac{1}{4}$  of a cent a can. But on several thousand cases it could amount up to a tidy sum.

So these fractions can be awfully important, particularly when you get to messing around with big numbers. Look what happens when the yield per acre of wheat changes by just say  $\frac{1}{2}$  bushel. On the nearly 54 million acres harvested last year it amounts to 27 million bushels. Or take a difference

of say 5 pounds, or  $\frac{1}{100}$ th of a bale of cotton per acre. On 12 million acres this would amount to about 120,000 bales.

Of course, we all know that all estimates are subject to what we call "statistical error" and it isn't possible to measure every single bushel or every pound of cotton that is produced. But this simply means that we have to be doubly careful in arriving at the components of production, that is, the acres and the average yield. Sometimes it may appear that we are splitting hairs and carrying out computations to a point the raw data wouldn't justify. Well, in some ways maybe we are being awful "persnickety" but, after all, when we put down a figure it becomes the official estimate. That figure is so important to everyone we don't think we can overlook any detail, or get careless anywhere along the line.

Frankly, I sometimes wonder if we aren't trying to be too precise on some of our reports. Then I get to thinking about this whole complex production and marketing system. Market price is something every farmer and every consumer is vitally interested in. Market price, of course, depends on a lot of things but it all starts with how much is available. If that is wrong, many other decisions are wrong.

Are we being too careful? I say, "no". We believe that the biggest industry in the country—agriculture—deserves the best statistical information it is possible to provide. That is one of the reasons we are out counting and measuring crop development and using every means we know how to improve and refine acreage, yield, price, and all other estimates.

Well, time's up. Next time, though, when you go shopping watch out for those fractions. It will pay to note the net weight per package and figure the price per unit. Remember the old Scotch saying, "many a mickle makes a muckle".



S. R. Newell  
Chairman, Crop Reporting Board, AMS

## "BERT" NEWELL RECEIVES TOP USDA AWARD

Bert Newell's rich background of service has earned him the USDA's Distinguished Service Award.

His citation reads, "for his vision and leadership in helping to provide the American farmer with the best agricultural statistics and marketing services to be found anywhere in the world."

Mr. Newell was one of seven USDA employees to receive the top award this year. The presentation was made by Secretary of Agriculture Ezra Taft Benson.

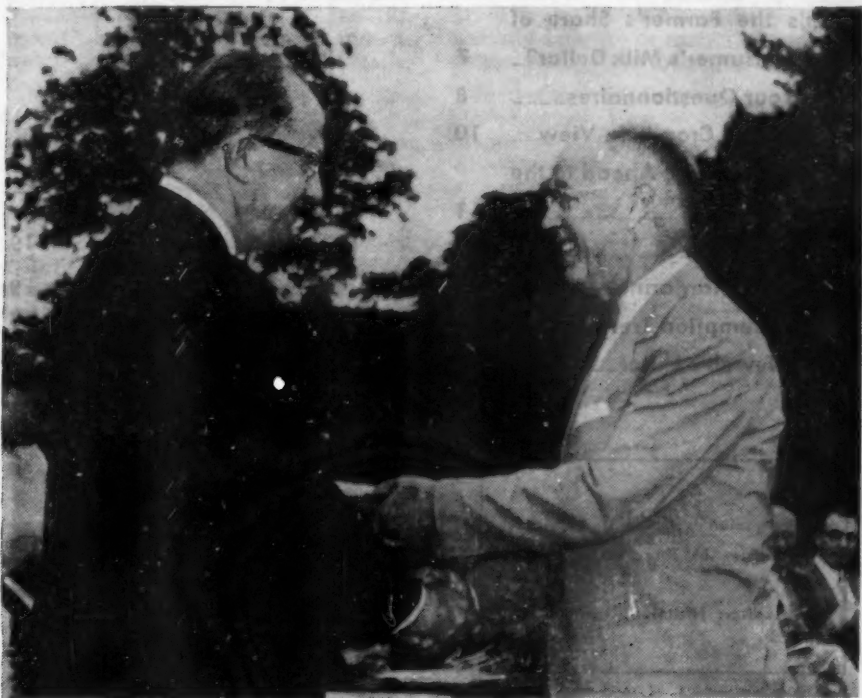
Mr. Newell joined the Crop Reporting Board in 1926. Before that he was a county agent in Maryland. He was appointed chairman of the U.S. Crop Reporting Board and Director of the Agricultural Estimates Division in 1950.

Mr. Newell brought an excellent background in agricultural marketing and production to the job.

He had served as assistant to the Chief of the Agricultural Marketing Service in the early 1940's, assistant to the deputy director of the Food Distribution Administration, chief of the Livestock Branch, and deputy assistant administrator for the Marketing of the Production and Marketing Administration.

The Newells have two daughters and a son—all married. Mr. Newell is very active in church groups.

He also finds time to putter around his yard, and he's an accomplished woodworker. Mr. Newell also likes to take color slides with his 35mm camera.



Secretary of Agriculture Ezra Taft Benson (left) presents "Bert" Newell top USDA award.

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In 7

	Page
Our Cattle Herd Is More Pro- ductive .....	1
USDA Fact Book Is Now Avail- able .....	3
Demand Is Strong for Cigarettes and Cigars .....	4
Outlook .....	5
USDA Buying Dried Eggs .....	6
Seaway Opened .....	6
National Farm Safety Week .....	6
Did You Know? .....	6
What's the Farmer's Share of the Consumer's Milk Dollar? ..	7
Using Your Questionnaires .....	8
A Larger Pig Crop Is in View ..	10
Turkeys—Looking Ahead to the Holidays .....	11
Farmer's Share .....	11
Butter and Margarine—A Look at Consumption Trends .....	12
"Bert" Newell's Letter .....	14

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